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SUBJECT: PRESIDENT KUFUOR DELIVERS FINAL STATE OF THE NATION
ADDRESS

¶1. SUMMARY: ON FEBRUARY 14, 2008, PRESIDENT KUFUOR DELIVERED HIS FINAL STATE OF THE NATION ADDRESS TO PARLIAMENT, FOCUSING ON THE GOVERNMENT'S POSITIVE ECONOMIC ACHIEVEMENTS SINCE HE CAME TO OFFICE IN 2001. HE SAID HIS GOVERNMENT HAD BROUGHT A PERIOD OF ACCELERATED GROWTH, LARGELY ACHIEVED THROUGH MACRO-ECONOMIC STABILITY, WHICH HAS SET THE STAGE FOR GHANA'S "LOOMING" INDUSTRIALIZATION. HE EMPHASIZED MACRO-ECONOMIC GAINS COUPLED WITH VIGOROUS INFRASTRUCTURAL DEVELOPMENT, RURAL DEVELOPMENT CENTERED ON MODERNIZED AGRICULTURE, ENHANCED SOCIAL SERVICE DELIVERY, GOOD GOVERNANCE, AND PRIVATE SECTOR DEVELOPMENT. HE ALSO HIGHLIGHTED GHANA'S HIGHEST-EVER INTERNATIONAL SOCCER RANKING OF 14TH IN THE WORLD, THE RECENT DISCOVERY OF OIL, AND THE MILLENNIUM CHALLENGE ACCOUNT COMPACT OF \$547 MILLION. IN DISCUSSING THE UPCOMING ELECTIONS, PRESIDENT KUFUOR EMPHASIZED THE CREDIBILITY OF THE ELECTORAL COMMISSION AND THE ROLE THE JUDICIARY PLAYS IN RESOLVING DISPUTES, MAKING AN IMPLICIT REFERENCE TO KENYA. HE STRUCK A PARTISAN NOTE BY EXPRESSING HOPE THAT HIS PARTY WOULD WIN AGAIN AND FAILED TO MENTION SIGNIFICANT CHALLENGES TO HIS GOVERNMENT, INCLUDING THE GROWING THREAT FROM NARCOTICS TRAFFICKING, ENERGY SHORTFALLS, AND CORRUPTION. THE SPEECH PROVOKED STRONG AND NOISY REACTIONS FROM THE MINORITY AT TIMES, AND WHILE THE PRESIDENT PROFESSED TO WANT TO ELICIT AN "EFFUSION OF LOVE FROM BOTH SIDES," ITS TONE WAS NOT CONCILIATORY AND WAS CONSISTENT WITH KUFUOR'S PREVIOUS PARTISAN ADDRESSES TO PARLIAMENT. END SUMMARY.

¶2. MACRO-ECONOMY: PRESIDENT KUFUOR'S INDICATED THAT THE DECISION TO "GO HIPC" (HIGHLY INDEBTED POOR COUNTRIES) HAD HELPED GHANA ACHIEVE MACRO ECONOMIC STABILITY AND RESCUED THE NATION FROM THE HIGH RATE OF INFLATION AND INTEREST RATES, THE INDEBTEDNESS OF TEMA OIL REFINERY, AND WEAKNESS OF THE CEDI THAT PREVAILED IN 2001. HE POINTED TO THE SUCCESSFUL FLOATING OF THE \$750 MILLION EURO BOND IN LONDON, ABILITY TO WITHSTAND HEAVY FUEL PRICE SHOCKS, THE SUCCESSFUL RE-DOMINATION OF THE CEDI, AND A CURRENT GDP OF OVER 6.5% AS INDICATORS OF THE STRENGTH OF THE MACRO-ECONOMY. [NOTE: GDP GROWTH WAS 6.3% IN 2007. END NOTE] GIVEN THESE INDICATORS, SAID KUFUOR, GHANA WAS ON TRACK TO MEET THE MILLENNIUM DEVELOPMENT GOAL OF HALVING POVERTY BY 2015.

¶3. OIL DISCOVERY: KUFUOR HIGHLIGHTED THIS AS THE BIGGEST EVENT OF THE YEAR. HE ESTIMATED THE FIND TO BE OVER 3 BILLION BARRELS AND SAID IT COULD COME ON LINE WITHIN THE NEXT TWO TO THREE YEARS. THE FOCUS, SAID KUFUOR, IS NOW ON DEVELOPING A REGULATORY FRAMEWORK THAT WILL MAKE THE SECTOR PROFITABLE FOR THE ENTIRE SOCIETY, INDICATING THAT IT COULD PROVIDE FUNDS REQUIRED FOR DEVELOPMENT AND LESSEN DEPENDENCY ON DONORS. [NOTE: THIS IS GHANA'S FIRST DISCOVERY OF OIL IN COMMERCIAL QUANTITIES. WHILE WE HAVE SEEN ESTIMATES OF 170 MILLION BARRELS PROVEN RESERVES AND UP TO 1.3 BILLION BARRELS IN RECOVERABLE RESERVES, KUFUOR'S ESTIMATE MAY BE OF PROBABLE RESERVES. RECOVERABLE RESERVES ARE ROUGHLY 40% OF PROBABLE RESERVES. END NOTE].

¶4. EDUCATION: THE PRESIDENT EMPHASIZED EFFORTS TO REHABILITATE SCHOOLS FROM ELEMENTARY TO TERTIARY LEVEL AND THE LAUNCHING OF NEW PROGRAMS AIMED AT INCREASING PUPIL ENROLMENT. GHANA'S EDUCATION REFORM PROGRAM INCLUDED THE PROVISION OF FREE COMPULSORY UNIVERSAL

BASIC EDUCATION FROM AGE FOUR TO SIXTEEN. THE GOVERNMENT ALSO LAUNCHED A SCHOOL FEEDING PROGRAM TO COMPLEMENT FREE BASIC EDUCATION INITIATIVE. THE PRESIDENT INDICATED THAT SPECIAL EMPHASIS WOULD BE GIVEN TO SCIENCE, MATHEMATICS, AND INTERNET TECHNOLOGY, PARTICULARLY AT THE SECONDARY LEVEL. THIRTY-EIGHT TEACHER TRAINING COLLEGES ARE BEING UPGRADED WITH FIFTEEN BEING DESIGNATED TO FOCUS ON SCIENCE, MATHEMATICS AND TECHNOLOGY. DISTANCE LEARNING, COUPLED WITH IMPROVED CONDITIONS OF SERVICE, ARE BEING USED TO IMPROVE THE QUALITY OF TEACHING. THE PRESIDENT LAUDED THE EMERGENCE OF PRIVATE TERTIARY EDUCATION INSTITUTIONS THAT ARE EMERGING TO SUPPORT GOVERNMENT EFFORTS. [NOTE: WHILE THERE HAS BEEN A SIGNIFICANT INCREASE IN PUPIL ENROLMENT AS A RESULT OF THE VARIOUS INITIATIVES LAUNCHED, QUALITY OF EDUCATION REMAINS A SIGNIFICANT CONCERN WITH ONLY A MODEST PERCENTAGE OF SIXTH GRADERS READING AT GRADE LEVEL. END NOTE]

15. HEALTH: THE PRESIDENT HIGHLIGHTED EFFORTS TO REHABILITATE REGIONAL HOSPITALS AND DISTRICT HEALTH POSTS AND TO IMPROVE THE CONDITIONS OF SERVICE FOR HEALTH WORKERS. LITTLE DETAIL WAS PROVIDED BEYOND A SUGGESTION THAT THE NEW FOCUS WOULD BE ON PREVENTATIVE MEDICINE. THE NATIONAL HEALTH INSURANCE SCHEME WAS SHOWCASED AS ONE OF THE GOVERNMENT'S MAJOR CONTRIBUTIONS TO QUALITY AND AFFORDABLE HEALTH CARE. CURRENTLY, 48% OF THE POPULATION IS ESTIMATED TO BE ENROLLED, AND IT IS ENVISAGED THAT THE ENTIRE POPULATION WILL BE ENROLLED IN FIVE YEARS. HIV/AIDS PREVALENCE LEVELS DROPPED FROM 2.6% IN 2006 TO 2.25% IN 2007 WITH VOLUNTARY COUNSELLING AND TESTING OPERATING IN ALL 138 DISTRICTS OF THE COUNTRY COUPLED WITH 48 ANTI-RETROVIRAL SITES. [NOTE: HIV PREVALENCE HAS BEEN STABLE BETWEEN 2% AND 3% FOR PREGNANT WOMEN SINCE 1994. THIS IS AN ACHIEVEMENT, BUT MINOR FLUCTUATIONS CITED REPRESENT ONLY SAMPLING BIAS AND NOT REAL CHANGES. END NOTE] TO PROVIDE SAFE WATER, THE GOVERNMENT HAS ALSO FOCUSED ON THE PROVISION OF BORE-HOLES AND HAND-DUG WELLS COUPLED WITH MAJOR REHABILITATION WORKS ON URBAN WATER SUPPLY SYSTEMS. THIS SHOULD LEAD TO A REDUCTION OF GUINEA WORM INFESTATIONS AND OTHER WATER-BORNE DISEASES. [NOTE: NO MENTION WAS MADE OF GHANA'S GENERAL STAGNANT PERFORMANCE ON MAJOR HEALTH INDICATORS INCLUDING THE INFANT MORALITY RATE. END NOTE]

16. INFRASTRUCTURE: KUFUOR EMPHASIZED THAT THE GOVERNMENT'S FOCUS IS ON FACILITATING THE MOVEMENT OF PEOPLE, GOODS, AND SERVICES WHILE PROMOTING SOCIAL-CULTURAL INTERACTION. THE PRESIDENT SUGGESTED THAT THE ROAD SECTOR WAS EXPERIENCING AN UNPRECEDENTED LEVEL OF DEVELOPMENT. THIS INCLUDED ROADS TO LINK FARM GATES TO MARKET CENTRES WITH \$100 MILLION RELEASED TO FOCUS ON THE SIX COCOA GROWING AREAS OF THE COUNTRY. EFFORTS ARE UNDERWAY TO IMPROVE THE ROADS CONNECTING ACCRA WITH NEIGHBOURING COUNTRIES AND TO REDUCE TRAFFIC CONGESTION AND IMPROVE PUBLIC TRANSPORTATION IN THE MAJOR POPULATION CENTERS. \$90 MILLION IS BEING SET ASIDE FROM THE EURO-BOND PROCEEDS TO LEVERAGE EFFORTS TO REHABILITATE THE RAIL SYSTEM EXTENDING TO THE NORTH OF THE COUNTRY. THIS INITIATIVE IS EXPECTED TO GENERATE THOUSANDS OF JOBS AND REVIVE OLD RAILWAY TOWNS. THE TEMA AND TAKORADI PORTS ARE BEING MODERNIZED AND EXPANDED WITH THE HOPE THAT GHANA WILL BECOME THE PREFERRED ENTRY PORT IN THE ECOWAS SUB-REGION. THE TAKORADI, TAMALE, AND KUMASI REGIONAL AIRPORTS WERE ALL UPGRADED FOR THE JUST ENDED AFRICA CUP OF NATIONS SOCCER TOURNAMENT AND ENJOYED A SURGE IN DIRECT INTERNATIONAL FLIGHTS. THE GOVERNMENT AIMS TO MAKE INFORMATION TECHNOLOGY AVAILABLE TO LARGE SECTORS OF THE SOCIETY AND IS PURSUING A NATIONAL COMMUNICATIONS NETWORK TO PROVIDE OPEN ACCESS TO BROADBAND CONNECTIVITY. THE GOVERNMENT IS ALSO PROMOTING A COMPETITIVE TELECOM MARKET.

17. ENERGY: PRESIDENT KUFUOR ACKNOWLEDGED THAT THE HIGH COST OF CRUDE OIL, COUPLED WITH PERIODIC DROUGHT THAT REDUCES GHANA'S HYDRO RESOURCES HAS PROVIDED A SIGNIFICANT CHALLENGE FOR THE GOVERNMENT. WHILE THE COUNTRY FACED AN ENERGY CRISIS LAST YEAR THAT LED TO A LOAD-SHEDDING EXERCISE, THE GOVERNMENT HAS DEVELOPED A SHORT TO MEDIUM AND LONG TERM POLICY TO SOLVE THE PROBLEM. THIS INCLUDES A MIX OF THERMAL AND HYDRO ENERGY GENERATION. THE BUI DAM, ONE OF THE LONG TERM STRATEGIES, IS SCHEDULED TO BE OPERATIONAL IN 2012 WHILE SMALLER DAMS ARE BEING DEVELOPED. THE WEST AFRICA GAS PIPELINE WAS HIGHLIGHTED AS ONE OF THE LEGACIES OF THIS GOVERNMENT. THE PRESIDENT EXPRESSED GREAT CONFIDENCE THAT THE GOVERNMENT'S ENERGY POLICY WOULD BE SUFFICIENT TO MEET GHANA'S ENERGY REQUIREMENT FOR INDUSTRIALIZATION.

18. PRIVATE SECTOR: THE PRESIDENT EMPHASIZED THE IMPORTANCE OF THE PRIVATE SECTOR IN GENERATING EMPLOYMENT, AND NOTED THAT THE GOVERNMENT HAS PUT MEASURES AND LAWS IN PLACE TO FACILITATE GROWTH. THIS INCLUDED CAPACITY BUILDING PROGRAMS, LOAN GUARANTEES AND ACCESS

TO CREDIT. HE POINTED TO SUBSTANTIAL INVESTMENTS IN MINING, THE SERVICE INDUSTRY, COMMERCE, TOURISM, HOTEL DEVELOPMENT, AND THE FINANCIAL SECTORS AS SIGNS OF GROWTH. HE HIGHLIGHTED A NEW ELECTRONIC FINANCIAL SYSTEM, TREMENDOUS GROWTH IN REAL ESTATE, AND POSSIBILITIES FOR A DEVELOPED BAUXITE INDUSTRY. HE POINTED SPECIFICALLY AT THE ACQUISITION OF VALCO AS BEING CRITICAL TO MOVING GHANA TOWARDS INDUSTRIALIZATION. IT WOULD BE PART OF A BAUXITE INDUSTRY THAT WOULD INCLUDE BOTH UPSTREAM AND DOWNSTREAM PROCESSING AND WOULD FULFIL A DREAM STARTED BY KWAME NKRUMAH WITH THE BUILDING OF AKOSOMBO DAM. [NOTE: VALCO IS CURRENTLY CLOSED AS IT IS DEPENDENT ON LOW COST ELECTRICITY TO BE EFFICIENT. END NOTE] HE INDICATED THAT 200,000 JOBS HAD BEEN CREATED IN 2007 UP FROM 120,000 IN 2006. THE NATIONAL YOUTH EMPLOYMENT PROGRAM HAS BEEN RESPONSIBLE FOR 108,000 JOB PLACEMENTS FOR YOUTH SINCE OCTOBER 2006.

¶9. AGRICULTURE: AGRICULTURE WAS IDENTIFIED AS LEADING ELEMENT WITHIN THE PRIVATE SECTOR, EMPLOYING A LARGE PART OF THE POPULATION AND HAVING THE POTENTIAL TO LEAD INDUSTRIALIZATION. THE PRESIDENT STRESSED EFFORTS TO MODERNIZE THE SECTOR THROUGH MECHANIZATION AND IRRIGATION. HE IDENTIFIED THAT "OUTLOOK" AND FINANCIAL CONSTRAINTS WERE THE BIGGEST CHALLENGES TO TRANSFORMING THE SECTOR. HE HIGHLIGHTED EFFORTS TO PROVIDE IMPROVED PLANTING MATERIALS, EXTENSION SERVICES, AND MICRO-CREDIT TO FARMERS. HE ALSO INDICATED THAT THE SECTOR HAD ATTRACTED LARGE SCALE COMMERCIAL FARMERS. ON COCOA, HE EMPHASIZED THE 740,000 TONS PRODUCED IN THE 2005/2006 CROP YEAR AS IT IS GHANA'S LARGEST EVER, WHILE NOT MENTIONING RECENT PRODUCTION TOTALS. HE SAID GHANA'S TARGET WAS TO REACH 1 MILLION TONS IN THE NEXT COUPLE YEARS WITHOUT ARTICULATING HOW THAT TARGET WOULD BE ACHIEVED. GHANA'S FOCUS WILL BE ON VALUE-ADDED TO THE SECTOR. HE SAID CURRENTLY OVER 30% OF COCOA BEANS ARE PROCESSED LOCALLY, SINGLING OUT BARRY CALLEBAUT AND CARGILL AS EXAMPLES OF INTERNATIONAL COMPANIES INVOLVED.

¶10. MILLENNIUM CHALLENGE ACCOUNT: THIS WAS THE ONE DONOR PROGRAM THAT THE PRESIDENT HIGHLIGHTED, EMPHASIZING THAT THE \$547 MILLION TOTAL WAS THE LARGEST MCC COMPACT TO DATE. [NOTE: BOTH MOROCCO'S (\$697 MILLION, SIGNED IN AUGUST 2007) AND TANZANIA'S (\$698 MILLION, SIGNED A FEW DAYS AFTER THE ADDRESS) COMPACTS ARE LARGER. END NOTE] THE PRESIDENT INDICATED THAT THIS MAY PROVIDE THE "LONG-AWAITED OPPORTUNITY TO TRANSFORM AND MODERNIZE THE RURAL ECONOMY THROUGH MECHANIZATION."

¶12. PUBLIC SECTOR: THE PRESIDENT SAID THE GOVERNMENT WAS REFORMING THE PUBLIC SECTOR TO BE "VERY PROFESSIONAL AND VERY SUPPORTIVE OF THE PRIVATE SECTOR." PUBLIC/PRIVATE PARTNERSHIPS WERE HIGHLIGHTED AS THE NEW PARADIGM. HE ALSO TOUCHED BRIEFLY ON EFFORTS TOWARD PUBLIC SECTOR PAY REFORM, THE WORK OF THE FAIR WAGES AND SALARIES COMMISSION, AND NATIONAL LABOUR COMMISSION.

¶13. GOOD GOVERNANCE: THE PRESIDENT FOCUSED ON THE AFRICA PEER REVIEW MECHANISM. HE INDICATED THAT THEIR MOST RECENT REPORT IN

JANUARY 2008 INCLUDED PLANS TO STEM CONFLICT ARISING FROM LAND DISPUTES, STRENGTHEN THE OVERSIGHT ROLE OF PARLIAMENT, ESTABLISH TRADE DESKS THROUGHOUT GOVERNMENT MINISTRIES AND INCREASE CAPACITY FOR MULTILATERAL TRADE ISSUE ANALYSIS, AND STRENGTHEN TAX ADMINISTRATION. THE ONLY REFERENCE TO FIGHTING CORRUPTION WAS HIS MENTION OF PARLIAMENT'S PUBLIC ACCOUNTS COMMITTEE HOLDING PUBLIC HEARINGS FOR THE FIRST TIME IN 2007, SAYING THAT THE FIGHT AGAINST CORRUPTION HAD FOUND A "NEW ALLY" IN PARLIAMENT. THE ATTORNEY-GENERAL'S DEPARTMENT, HE SAID, WOULD STUDY THE RECOMMENDATIONS FROM THE COMMITTEE AND PROSECUTE CASES THAT REQUIRED PROSECUTION. ON LAW ENFORCEMENT, HE INDICATED THAT THE POLICE SERVICE HAS INCREASED BY 10,132 STAFF SINCE 2001, BRINGING THE TOTAL TO 26,115. HE POINTED OUT THAT THIS WAS STILL BELOW THE UN RECOMMENDED LEVEL OF POLICE TO CITIZEN RATION OF 1:500. KUFUOR ENCOURAGED COMMUNITIES TO FORM VOLUNTEER PROTECTION UNITS BUT CAUTIONED AGAINST INSTANT JUSTICE. HE HIGHLIGHTED THAT GHANA HAD ITS FIRST FEMALE CHIEF JUSTICE, INDICATING THAT THE GOVERNMENT HAD GOOD GENDER REPRESENTATION THROUGHOUT, THOUGH LACKING GENDER BALANCE. HE SAID THAT THE MINISTRY OF WOMEN AND CHILDREN HAD BEEN ESTABLISHED TO ADDRESS THIS ISSUE. FINALLY, HE DISCUSSED THE IMPORTANT ROLE THAT PARLIAMENT PLAYS WHILE STRUGGLING WITH LIMITED OFFICE SPACE AND STAFF FOR MEMBERS OF PARLIAMENT. HE ACKNOWLEDGED THAT THE \$25 MILLION LOAN PROMISED IN 2001 FOR MUCH NEEDED OFFICE SPACE HAD NOT MATERIALIZED, PROMISING THAT NEW RESOURCES WOULD BE PROVIDED IN THE COMING YEAR.

¶14. FOREIGN RELATIONS: THE PRESIDENT EMPHASIZED THE LARGE NUMBER OF

INTERNATIONAL CONFERENCES HELD IN GHANA AND PRESIDENT BUSH'S VISIT AS INDICATORS OF THE RESPECT THAT GHANA COMMANDS CURRENTLY. HE ALSO HIGHLIGHTED GHANA'S ROLE AS CHAIR OF THE AU OVER THE PAST YEAR AND TWICE CHAIR OF ECOWAS OVER THE PAST SEVEN YEARS.

¶15. NATIONAL HERITAGE: THE PRESIDENT HIGHLIGHTED THAT FLAGSTAFF HOUSE, THE PRESIDENTIAL MANSION DURING NKRUMAH'S FIRST REPUBLIC, WAS BEING RE-BUILT TO HOUSE THE NEXT PRESIDENT. THIS IS COUPLED WITH THE REFURBISHMENT OF THREE PRESIDENTIAL RETREATS, ALSO FROM NKRUMAH'S FIRST REPUBLIC. HE ALSO EMPHASIZED THE FOUR STADIUMS BUILT AS A RESULT OF THE JUST ENDED AFRICA CUP OF NATIONS SOCCER TOURNAMENT.

¶16. ELECTIONS 2008: KUFUOR INDICATED THAT HIS TIME IN OFFICE WAS COMING TO AN END, AND CAUTIONED AGAINST NEGATIVE CAMPAIGNING. HE DREW ATTENTION TO GHANA'S ELECTORAL COMMISSION'S REPUTATION INTERNATIONALLY FOR NEUTRALITY AND PROFESSIONALISM, INDICATING THAT GHANA HAD HELD FOUR SUCCESSFUL ELECTIONS SINCE 1992 THAT HAVE BROUGHT WITH EACH A SERIES OF IMPROVEMENTS TO THE SYSTEM. HE WENT FURTHER TO STRESS THE ROLE THAT THE JUDICIARY CAN PLAY IN ADDRESSING PERCEIVED PROBLEMS IN THE ELECTORAL PROCESS, STRESSING THAT THERE WAS NO NEED TO CONTEMPLATE OTHER MEANS OF REDRESSING PERCEIVED OR ANTICIPATED WRONGS.

¶17. COMMENT: RESPONSE TO THE STATE OF THE NATION ADDRESS IS HEAVILY INFLUENCED BY WHICH SIDE OF THE POLITICAL DIVIDE ONE SITS. GOVERNMENT REPRESENTATIVES LAUDED THE PRESIDENT'S SPEECH AS HIS MOST BRILLIANT EVER, WHILE THE MINORITY LABELLED IT HEAVILY SELF-PROMOTING, PARTISAN AND MISLEADING. BOTH THE MINORITY AND THE MEDIA COMMENTATORS HIGHLIGHTED THE PRESIDENT'S FAILURE TO DISCUSS GHANA'S GROWING NARCOTIC PROBLEM AND CONTINUED WEAKNESS IN THE ENERGY SECTOR. WHILE GHANA HAS ENJOYED MACRO-ECONOMIC STABILITY, SIGNIFICANT GROWTH, AND POVERTY REDUCTION OVER THE PAST SEVEN YEARS, WIDESPREAD PROSPERITY REMAINS ELUSIVE, INEQUALITY IS INCREASING, AND BUILDING A DIVERSIFIED ECONOMIC BASE STILL SEEMS DISTANT. GHANA CONTINUES TO BE HEAVILY DEPENDENT ON THE PRICE OF GOLD AND COCOA. THE PRESIDENT'S SPEECH FAILED TO ACKNOWLEDGE THE FITCH'S RECENT DOWNGRADING OF GHANA'S SOVEREIGN 'B+' CREDIT RATING TO STABLE FROM POSITIVE, THE RE-EMERGENCE OF SIGNIFICANT DEBTS AT TEMA OIL REFINERY, OR CURRENT FISCAL INDISCIPLINE THAT IS THREATENING THE MACRO ECONOMY. FURTHERMORE, THE ENERGY SITUATION HAS NOT BEEN SOLVED, AND THE HIGH COST OF ENERGY WILL CONTINUE TO CONSTRAIN INDUSTRY. WHILE GHANA IS BELATEDLY ADDRESSING GENERATION NEEDS, A SUSTAINABLE SOLUTION WILL REQUIRE COST RECOVERY TARIFFS, IMPROVED TRANSMISSION INFRASTRUCTURE AND MANAGEMENT, AND REFORM OF DISTRIBUTION SYSTEM. NONETHELESS, PRESIDENT KUFUOR'S READINESS TO STEP DOWN AFTER TWO TERMS CONTINUES THE TRADITION SET BY PRESIDENT RAWLINGS AND IS A STRONG EXAMPLE FOR THE CONTINENT. THIS COUPLED WITH KUFUOR'S EMPHASIS ON GHANA'S RECENT HISTORY OF CREDIBLE ELECTIONS AND EFFORTS TO DISSUADE AGAINST ACTIONS THAT COULD LEAD TO A REPETITION OF WHAT IS TAKING PLACE IN KENYA IS IMPORTANT FOR THE UPCOMING 2008 ELECTIONS. GHANA'S RECENT ENTRY TO INTERNATIONAL BOND MARKET AND OIL DISCOVERY PRESENT REAL OPPORTUNITIES PROVIDED THAT THEY ARE MANAGED WELL. AT THE SAME TIME, THEY PRESENT NEW RISKS FOR CORRUPTION AND MISMANAGEMENT AND HENCE, MERIT ATTENTION. END COMMENT.

BRIDGEWATER